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Malaysia

Market Development Reports

East Malaysia

2000

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Report Highlights:

East Malaysia is very much a priced-driven market. Consumers are always looking for value-for-money deals. The market for imported foodstuffs is dominated by Australia, China, Denmark and Holland. However, there are opportunities for sales of US products in both the East Malaysian states.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1], MY

Market in General

Market situation in East Malaysia has not changed much since the economic crisis in 1997. In general, market sales in both the states are still very slow. Both are price-driven markets. Since the purchasing power is low, consumers are always looking for value-for-money deals. In the coming months, retailers are cashing-in on the festive season for more sales. Businesses in hotels are reported to be improving. Hilton was at 90% room occupancy during that time.

Imported products: grocery

Supermarkets are still stocked with mostly local products. Sales of imported items are quite slow. For grocery items, the Australian goods seem to have a better acceptance among consumers as U.S. goods are considered more expensive. In Kuching, importers of US grocery items are still buying from Singapore suppliers as the order volume is small and stocks come in palletized form. In Kota Kinabalu, Merdeka Supermarket, which caters to expatriates, ships in grocery items direct from Certified Grocers.

Fresh Fruits /Vegetables

In both states, U.S. fresh fruits face fierce competition from Australia, China, New Zealand and France. Local fruits are also a strong threat to imported fruits when they are in season. Sunkist oranges and California Table grapes are still popular among consumers. The Chinese Fujis have been dominating the apple market. A limited quantity of Washington apples are imported periodically to cater for a segment of consumers who prefer smaller size apples. Summer fruits such as plums, nectarines and peaches still have low acceptance among consumers. Lack of knowledge on summer fruits is the major reason for the unpopularity. Educating consumers is necessary to generate more interests in stone fruits. Most imported vegetables such as celery, carrots, broccoli (sometimes air-flown) are supplied by Australia due to its close proximity with Malaysia.

Frozen meat/vegetables

This market segment is dominated by European countries such as Denmark and Holland. East Malaysian consumers prefer smaller sized chicken wings, which these European countries can cater to. The local “pasar malam” (night market) traders, who are the main buyers of chicken wings get more chicken wings in a packet of two pounds, compared to the same sized packet of US chicken wings. Denmark can supply chicken franks at a very competitive price. A pack of Danish chicken franks cost about RM2.60, compared to RM3.20 of US brand franks and RM2.90 of locally-produced brands such as Ayamas. Frozen turkeys are still very much a US market item. However, this market segment is seasonal in nature. Frozen potatoes are imported from US for higher-end market such as hotels. For the mass market, frozen potatoes and vegetables are imported from Europe. Again, “Anything that is cheap” always work for the mass market. Indian beef dominates the frozen beef segment, with a small portion coming from Australia and New Zealand.

END OF REPORT